

west virginia department of environmental protection

Office of Oil and Gas 601 57th Street SE Charleston, WV 25304 (304) 926-0450 (304) 926-0452 fax Earl Ray Tomblin, Governor Randy C. Huffman, Cabinet Secretary www.dep.wv.gov

November 08, 2013

WELL WORK PERMIT

Vertical Well

This permit, API Well Number: 47-10302966, issued to DIVERSIFIED RESOURCES, INC., is evidence of permission granted to perform the specified well work at the location described on the attached pages and located on the attached plat, subject to the provisions of Chapter 22 of the West Virginia Code of 1931, as amended, and all rules and regulations promulgated thereunder, and to all conditions and provisions outlined in the pages attached hereto. Notification shall be given by the operator to the Oil and Gas Inspector at least 24 hours prior to the construction of roads, locations, and/or pits for any permitted work. In addition, the well operator shall notify the same inspector 24 hours before any actual well work is commenced and prior to running and cementing casing. Spills or emergency discharges must be promptly reported by the operator to 1-800-642-3074 and to the Oil and Gas inspector.

Please be advised that form WR-35, Well Operators Report of Well Work is to be submitted to this office within 90 days completion of permitted well work, as should form WR-34 Discharge Monitoring Report within 30 days of discharge of pits, if applicable. Failure to abide by all statutory and regulatory provisions governing all duties and operations hereunder may result in suspension or revocation of this permit and, in addition, may result in civil and/or criminal penalties being imposed upon the operators.

In addition to the applicable requirements of this permit, and the statutes and rules governing oil and gas activity in WV, this permit may contain specific conditions which must be followed. Permit conditions are attached to this cover letter.

Per 35CSR-4-5.2.g this permit will expire in two (2) years from the issue date unless permitted well work is commenced. If there are any questions, please feel free to contact me at (304) 926-0499 ext. 1654.

James Martin

Chief

Operator's Well No: D-187

Farm Name: STATE OF WV PUBLIC LAND CO

API Well Number: 47-10302966
Permit Type: Vertical Well

Date Issued: 11/08/2013

Promoting a healthy environment.

PERMIT CONDITIONS

West Virginia Code § 22-6-11 allows the Office of Oil and Gas to place specific conditions upon this permit. Permit conditions have the same effect as law. Failure to adhere to the specified permit conditions may result in enforcement action.

CONDITIONS

- 1. If the operator encounters an unanticipated void, or an anticipated void at an unanticipated depth, the operator shall notify the inspector within 24 hours. Modifications to the casing program may be necessary to comply with W. Va. Code § 22-6-20, which requires drilling to a minimum depth of thirty feet below the bottom of the void, and installing a minimum of twenty (20) feet of casing. Under no circumstance should the operator drill more than fifty (50) feet below the bottom of the void or install less than twenty (20) feet of casing below the bottom of the void.
- 2. Pursuant to 35 CSR § 4-19.1.a, at the request of the surface owner all water wells or springs within 1000 feet of the proposed well that are actually utilized for human consumption, domestic animals or other general use shall be sampled and analyzed.
- 3. Pursuant to 35 CSR § 4-19.1.c, if the operator is unable to sample and analyze any water well or spring within one thousand (1,000) feet of the permitted well location, the Office of Oil and Gas requires the operator to sample, at a minimum, one water well or spring located between one thousand (1,000) feet and two thousand (2,000) feet of the permitted well location.
- 4. All pits must be lined with a minimum of 20 mil thickness synthetic liner.
- 5. In the event of an accident or explosion causing loss of life or serious personal injury in or about the well or while working on the well, the well operator or its contractor shall give notice, stating the particulars of the accident or explosion, to the oil and gas inspector and the Chief within twenty-four (24) hours.
- 6. During the surface casing and cementing process, in the event cement does not return to the surface, or any other casing string that is permitted to circulate cement to the surface and does not return to the surface, the oil and gas inspector shall be notified within twenty-four (24) hours.
- 7. Well work activities shall not constitute a hazard to the safety of persons.
- 8. If well work related activities require the use of water obtained by withdrawals from waters of this state in amounts that exceed two hundred ten thousand gallons during any thirty day period, the operator is required to consult, and adhere to, the guidance provided by DEP's Water Withdrawal Guidance Tool prior to any water withdrawals.

STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS WELL WORK PERMIT APPLICATION

		<u>V</u>	VELL WORK PE	RMIT APPLIC	CATION	-12	349		
4) \\/-!! O====t=					103	0			
1) Well Operato	Diver	sified Res	sources, Inc.	305996	Wetzel	Grant	Folsom		
	-			Operator ID	County	District	Quadrangle		
2) Operator's W	lell Numb	oer: <u>D-187</u>			3) Elevation:	1449.73			
4) Well Type: (a	a) Oil <u>×</u>	or Ga	as <u>×</u>						
(b) If Gas: Production × / Underground Storage									
		Deep	o/ S	Shallow <u>×</u>					
5) Proposed Target Formation(s): Bayard Proposed Target Depth: 3650' 6) Proposed Total Depth: Feet Formation at Proposed Total Depth: Bayard 7) Approximate fresh water strata depths: 90' 8) Approximate salt water depths: 1485'									
9) Approximate	coal sea	m depths	s: <u>180'</u>	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			DMH		
10) Approximate	e void de	epths,(coa	al, Karst, other):	n/a					
11) Does land o	ontain co	nal seam	s tributary to ac	tive mine? N	/a		(-,-,-		
15	ž.		nd fracturing meth	nods in detail (a	ttach additiona	I sheets if nee	eded)		
Drill and Complete	new produ	ICTION				**************************************			
13)		CA	SING AND TUI	RING PROGR	Λ Μ				
	PECIFIC	ATIONS		FOOTAGE	INTERVALS	CEMEN	<u> </u>		
	<u>Size</u>	<u>Grade</u>	Weight per ft	For Drilling	Left in Well	Fill -up (Cu.	Ft.)		
Conductor				2-1	7				
Fresh Water	95/8	ERW		7,0°\ 1 68 "	300' 168	CTS 90	sks		
Coal							Couple State		
Intermediate	7	ERN		1500'	1500'	CTS 240) sks		
Production	41/2	ERW		3650'	3650'	225 sl	KS		
Tubing						RECEIVED			
Liners					Offic	e of Oil and	Gas		
Packers: Kind		I				UCT 11_J.3			
Size					WW	Departme	nt of		
Dept	ths Set					nmental Pro			

WW-2A (Rev. 6-07)



1). Date: August 22, 2013

2.) Operator's Well Number

State County

D-187

Permit

3.) API Well No .:

47-

02966

STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS NOTICE AND APPLICATION FOR A WELL WORK PERMIT

	ner(s) to be served		5) (a) Coal Operat	tor	
(a) Name	State of WV Capital Compl	ex *	_ Name _		
Address	Bldg #3 Room 643		Address		
// > */	Charleston, WV 25305		_	() 11 5 1 (
(b) Name	<u> </u>			er(s) with Declaration	
Address			_ Name _		
			_ Address _		
(c) Name			Name _		
Address			_ Address		
, , , , , , , , , , , , , , , , , , , ,					
6) Inspector	Derek Haught			ee with Declaration	
Address	PO Box 85		_ Name _		
	Smithville, WV 26178		Address		
Telephone	304-477-4148				
			MED ABOVE TAK		
Included is the	e lease or leases or	other continuing	contract or contracts	by which I hold the right to e	extract oil and gas
<u>OR</u>					nontro (Americano) monocompros 🛋
				(d) of the Code of West Virgi	
				Code I have served copies on the above named page	
application, a loca	Personal Service			on the above named pa	arties by.
			al receipt attached)		
-		tice of Publicatio			
I have rea				gree to the terms and cond	itions of any permit
issued under this	application.				
I certify u	nder penalty of law	that I have perso	onally examined and	I am familiar with the inform	ation submitted on
				f those individuals immediat	ely responsible for
			is true, accurate and		::- ::::::: -
imprisonment.	re that there are sign	illicant penalties	for submitting false	information, including the po	ssibility of fine and
imprisoriment.		Well Operator	Diversified Resources, Inc.		
		By:			
		Its:	President		
		Address	POBox 381087		
			Birmingham, AL 35238		
		Telephone	205-408-0909	9	Livering
Subscribed and sv	worn before me this	day of	August	, 2013	Liller Time
Fundo	eycs. Po	maai		Notary Public	Same Color
My Commission E	Expirés 331	15			
Oil and Gas Privacy N				RECEIVED	
The Office of Oil and	Gae processes vour per	rsonal information	such as name addition	Acholimand Gagaret	our requiatory duties

The Office of Oil and Gas processes your personal information, such as name, address and phone number, as a part of our regulatory duties. Your personal information may be disclosed to other State agencies or third parties in the normal course of business or as needed to comply with statutory or regulatory requirements, including Freedom of Information Act requests. Our office will appropriately secure your personal information. If you have any questions about our use of your personal information, please contact DEP's Chief Privacy Officer at depprivacyofficer@wv.gov

WW-70 Rev. 7/01

Affidavit of Personal Service

State Of West Virginia
County Of Wetzel
The undersigned, being first duly sworn, says that the undersigned served a true and complete copy of all sides of— $$
(1) Notice on Form WW-2(A) \times / WW-3(A) \times / WW-4(A) \times / WW-5(A) \times / WW-6(A) \times (2) Application on Form WW-2(B) \times / WW-3(B) \times / WW-4(B) \times / WW-5(B) \times / WW-6(B) \times (3) Plat showing the well location on Form WW-6, and (4) Construction and Reclamation Plan on Form WW-9
all with respect to operator's Well No. D-187 located in Grant District, Wetzel County, West Virginia, upon the person or organization named
WV Department of Natural Resources - Stephen Rauch
WV Department of Natural Resources - Stephen Rauch by delivering the same in Marion County, State of West Virginia on the 26 day of September , 2013 in the manner specified below.
[COMPLETE THE APPROPRIATE SECTION]
For an individual: [x] Handing it to $\lim_{x \to \infty} \frac{x}{her_{x}}$ or, because $\lim_{x \to \infty} \frac{x}{her_{x}}$ refused to take it when offered it, by leaving it in $\lim_{x \to \infty} \frac{x}{her_{x}}$ presence.
[x] Handing it to a member of his or her family above the age of 16 years named who resides at the usual place of abode of the person to be served, and asking the family member to give it to the person to be served as soon as possible.
For a partnership: [X] Handing it to
For a limited partnership: [X] Handing it to the general partner, named , or, because the general partner refused to take it when I tried to hand it over, by leaving it in the presence of the general partner.
For a corporation: [X] Handing it to the corporation's employee X / officer X / director X / attorney in fact X / named Stephes Rawh (Signature of person executing service)
Taken, subscribed and sworn before me this le day of November 2013. My commission expires 4, 2015 Olumber 2013. Notary Public

(AFFIX SEAL IF NOTARIZED OUTSIDE THE STATE)

Print Name

		SURFAC	CE OWNER WAI	VER	
County	Wetzel		Operator		Diversified Resources, Inc.
		(Operator well	number	D-187
	INSTRUC	TIONS TO SURFA	CE OWNERS N	AMED ON I	PAGE WW2-A
If the surfact appeared or be the only permits are	te tract is owned by month the Sheriff's tax ticket owner who will actual valid for 24 months. If mmediately if you know NOTE	ore than three person on the land or becauly receive these managed you do not own any	ons, then these ause you actually aterials.) S ee C y interest in the sease notify the we	materials was occupy the hapter 22 courface tracell operator ILE ANY Co	
	e of Oil and Gas of Environmental Prote	oction			
601 57 th St.	SF	ction			
Charleston,					
(304) 926-04					s to be served on or before the date the
operator file be filed in p be s ure of t handling. If the planned Cor well operato from the app The 1) 2) 3) 4) 5)	s his Application. You erson or received in the he date. Check with you have been contact work described in thes mments must be in wor's name and well numblication. You may add Chief has the power to The proposed well wor The soil erosion and set Damage would occur to The proposed well wor The applicant has commore of the rules promou want a copy of the	have FIFTEEN (15) a mail by the Chief's your pos tmaster to ted by the well oper e materials, then the riting. Your comm ber and the approxiother documents, so deny or condition a k will constitute a hard a managediment control plan to publicly owned lark fails to protect frestmitted a substantial ulgated under Chap	DAYS after the soffice by the tino ensure a dequivator and you have e permit may be tents must including the control of such as sketches a well work permit azard to the safeth is not adequate ands or resources; sh water sources al violation of a poter 22, and has fi	filing date to the stated altered elivery ve signed at an elivery ve signed elivery ve supplies or supplies or evious perailed to aba	to file your comments. Comments must bove. You may call the Chief's office to y time or to ar range special expedited "voluntary statement of no objection" to my time. ne, address and telephone number, the ed well site including district and county hotographs to support your comments. comments on the following grounds: is.
request a c	opy from the Chief.	-	•	-	
	of Water Testing Lab water to establish wate	r quality prior to and	l after drilling. Co	ontact the C	
Application to order on F or described the	for a Well Work Permit orm WW2-B, a s urvey perein.	on Form WW2-A, a plat, and a s oil a no	s to surface owner and attachments d er osion p lan, a	ers and that consisting o	I have received copies of a Notice and of pages 1 through including a work osed well work on my surface land as
	ng issued on those mat		anned work desc	inbed in the	ese materials, and I have no objection to
FOR EXECU	UTION BY A NATURAL	. PERSON		FOR EXEC	CUTION BY A CORPORATION, ETC.
		Date	Compa Name	any	
	Signature		Ву		
			Its		RECEIVED Date
				<u> </u>	Office of Offiand Gas

WV Department of Environmental Protection

OCT 11:0013

Date

Signature

Operator's Wel	l Number	D-187
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INFORMATION SUPPLIED UNDER WEST VIRGINIA CODE Chapter 22, Article 6, Section 8(d) IN LIEU OF FILING LEASE(S) AND OTHER CONTINUING CONTRACT(S)

Under the oath required to make the verification on page 1 of this Notice and Application, I depose and say that I am the person who signed the Notice and Application for the Applicant, and that –

- (1) the tract of land is the same tract described in this Application, partly or wholly depicted in the accompanying plat, and described in the Construction and Reclamation Plan;
- (2) the parties and recordation data (if recorded) for lease(s) or other continuing contract(s) by which the Applicant claims the right to extract, produce or market the oil or gas are as follows:

Grantor, Lessor, etc.	Grantee, Lessee, etc.	Royalty	Book/Page
Bay Oil Co. LLC and Lynrow Assoc., LLC	Trans Energy, Inc.	12.5	86A/597
Trans Energy, Inc.	Diversified Resources, Inc.	12.5	138A/770

Acknowledgement of Possible Permitting/Approval In Addition to the Office of Oil and Gas

The permit applicant for the proposed well work addressed in this application hereby a cknowledges the possibility of the need for permits and/or approvals from local, state, or federal entities in addition to the DEP, Office of Oil and Gas, including but not limited to the following:

- WV Division of Water and Waste Management
- WV Division of Natural Resources
- WV Division of Highways
- U.S. Army Corps of Engineers
- U.S. Fish and Wildlife Service
- County Floodplain Coordinator

The applicant further acknowledges that any Office of Oil and Gas permit in no way overrides, replaces, or nullifies the need for other permits/approvals that may be necessary and further affirms that all needed permits/approvals should be ac quired from the appropriate aut hority before the affected activity is initiated.

President

Well Operator:

By: Its:

versified Resources, Inc.

OCT 11 2013

WV Department of Environmental Protection

WW-2B1	
(5-12)	

Well No	. D-187	

West Virginia Department of Environmental Protection Office of Oil and Gas

NOTICE TO SURFACE OWNERS

The well operator named below is preparing to file for a permit from the state to drill a new well. Before a well work permit can be filed with the Chief of the Office of Oil and Gas, the well operator is required to have given notice of the right to request water well or spring analytical testing. This notice shall be given to the owners or occupants of land which have a water well or spring being utilized for human consumption, domestic animals, or other general use and which is located within 1000 feet of the proposed well site.

With this form, the operator is giving you notice of your right to request analytical testing. The operator is required to sample and analyze the water wells or springs of all owners or occupants who request it. Therefore, if you wish to have your water well or spring tested, contact the operator named below.

All sampling shall be completed prior to drilling. Within thirty (30) days of the receipt of such sample analyses the operator shall submit the results to the Chief of the Office of Oil and Gas and to the owners or occupants who may have requested them.

Be advised, you have the right to sample and analyze any water supply at your own expense.

Listed below is the laboratory chosen by operator to perform analysis, and contactor chosen to collect sample.

Certified Laboratory Name Sampling Contractor		Sturm Environmental
\\\-!! O	5 : :5 : 5	
Well Operator	Diversified Reso	purces, Inc.
Address	POBox 381087	
	Birmingham, AL	. 35238
Telephone	205-408-0909	

FOR OPERATOR'S USE ONLY: Below, or on an attached page, list those persons which were given this notice. Place an asterisk beside the one(s) that contacted you and requested sampling and analyses. If there were no requests made, indicate by underling which one you have selected to sample and analyze. If there are no water wells or springs within 1000 feet of the proposed site, the Chief may require the operator to test wells up to 2000 feet from the proposed site.

SEE ATTACHMENT.

Office of Oil and Gas

OCT 112013

WV Department of Environmental Protection

LAND SURVEYING SERVICES

Stephen D. Losh, PS J. Michael Evans, PS 21 Cedar Lane Bridgeport, WV 26330 Phone & Fax (304) 842-2018 or 842-5762 sdlosh@frontier.com

August 01, 2013

Diversified Resources, Inc. P.O. Box 381087 Birmingham, AL 35238-1087

WATER WELL REPORT

Project: D-187 District: Grant County: Wetzel

State: WV

The following people may have water supplies within 2,000 feet of the above location:

George Shreve Estate

HC 61, Box 56

Knob Fork, WV 26579

10-3-13

RECEIVED Office of Oil and Gas

OCT 11 2013

WV Department of Environmental Protection

P	age of
API Number 47 - 103	=
Operator's Well No.	D-187

STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION OFFICE OF OIL AND GAS

FLUIDS/ CUTTINGS DISPOSAL & RECLAMATION PLAN

perator NameDIVERSIFIED RESOURCES, INCOP Code	
Vatershed (HUC 10) BUFFALO RUN Quadrangle FOLSOM	
levation 1449.73' County WETZEL District GRANT	
Vill a pit be used for drill cuttings? Yes No	
If so, please describe anticipated pit waste:	
Will a synthetic liner be used in the pit? Yes X No If so, what ml.? 10 20	MH
Proposed Disposal Method For Treated Pit Wastes:	0.3-17
Land Application Underground Injection (UIC Permit Number Reuse (at API Number Off Site Disposal (Supply form WW-9 for disposal location) Other (Explain	• > 1)
Vill closed loop system be used?	
orilling medium anticipated for this well? Air, freshwater, oil based, etc	
-If oil based, what type? Synthetic, petroleum, etc	= :
dditives to be used in drilling medium?	_
2	- 2
-If left in pit and plan to solidify what medium will be used? (cement, lime, sawdust)	- :
	_
-Landfill or offsite name/permit number?	-
I certify that I understand and agree to the terms and conditions of the GENERAL WATER POLLUTION PERMIT In August 1, 2005, by the Office of Oil and Gas of the West Virginia Department of Environmental Protection. I understand the revisions of the permit are enforceable by law. Violations of any term or condition of the general permit and/or other approximation can lead to enforcement action. I certify under penalty of law that I have personally examined and am familiar with the information submitted of population form and all attachments thereto and that, based on my inquiry of those individuals immediately responsibilitioning the information, I believe that the information is true, accurate, and complete. I am aware that there are sign enalties for submitting false information, including the possibility of fine or imprisonment. Sompany Official Signature	hat the licable on this ole for
Company Official (Typed Name) Robort 2. Hutson 11.	
Company Official Title President RECEIVED	909
Office Carried 3	
ubscribed and sworn before me this 23rd day of August, 2013	
Andsey A. Pourceau Notary Public Wispartment Procession expires 3/31/15 Environmental Procession Procession expires 3/31/15	Y Of
My commission expires 3/31/15 Environmental Pro	десног

Form WW-9 Operator's Well No. D-187 DIVERSIFIED RESOURCES, INC. Prevegetation pH 6.5 Proposed Revegetation Treatment: Acres Disturbed 1.00 $_{Lime}$ to pH test $_{Tons/acre\ or\ to\ correct\ to\ pH}$ $\frac{7.0}{}$ Fertilizer (10-20-20 or equivalent) 500 lbs/acre (500 lbs minimum) _{Mulch} Hay or Straw Tons/acre Seed Mixtures Area I Area II Seed Type lbs/acre Seed Type lbs/acre **ORCHARDGRASS** 25 ORCHARDGRASS 25 **BIRDSFOOT TREFOIL** 15 15 BIRDSFOOT TREFOIL **LADINO CLOVER** 10 LADINO CLOVER 10 Attach: Drawing(s) of road, location,pit and proposed area for land application. Photocopied section of involved 7.5' topographic sheet. Plan Approved by: all disturbed areas.

10-3-13

viewed? (_____) Yes (_____) No

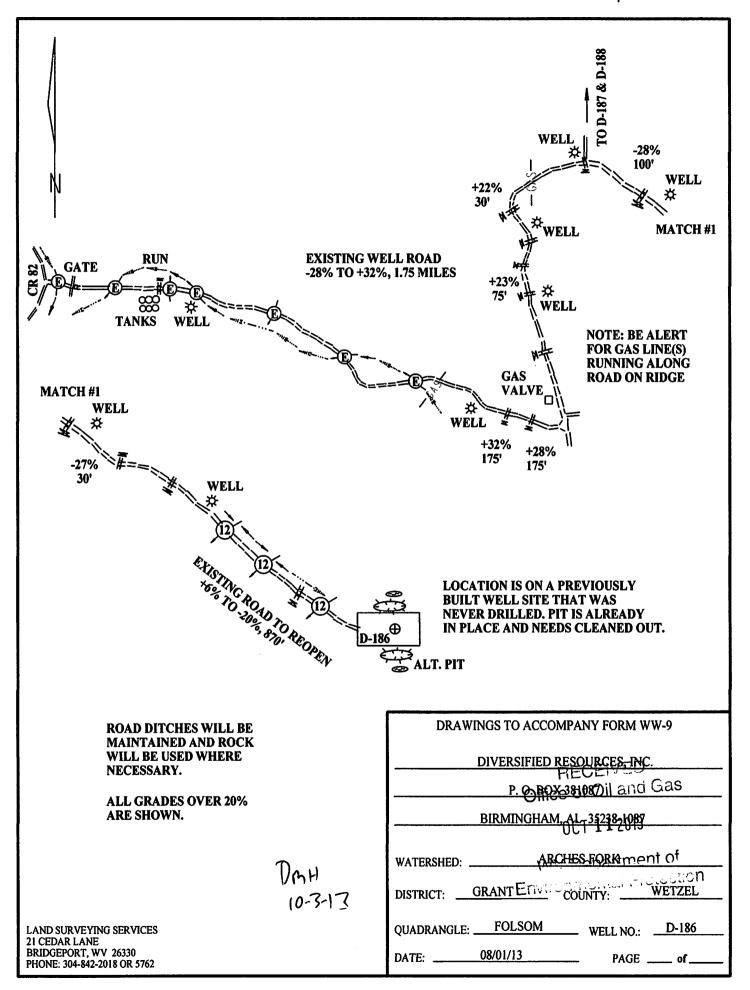
Field Reviewed?

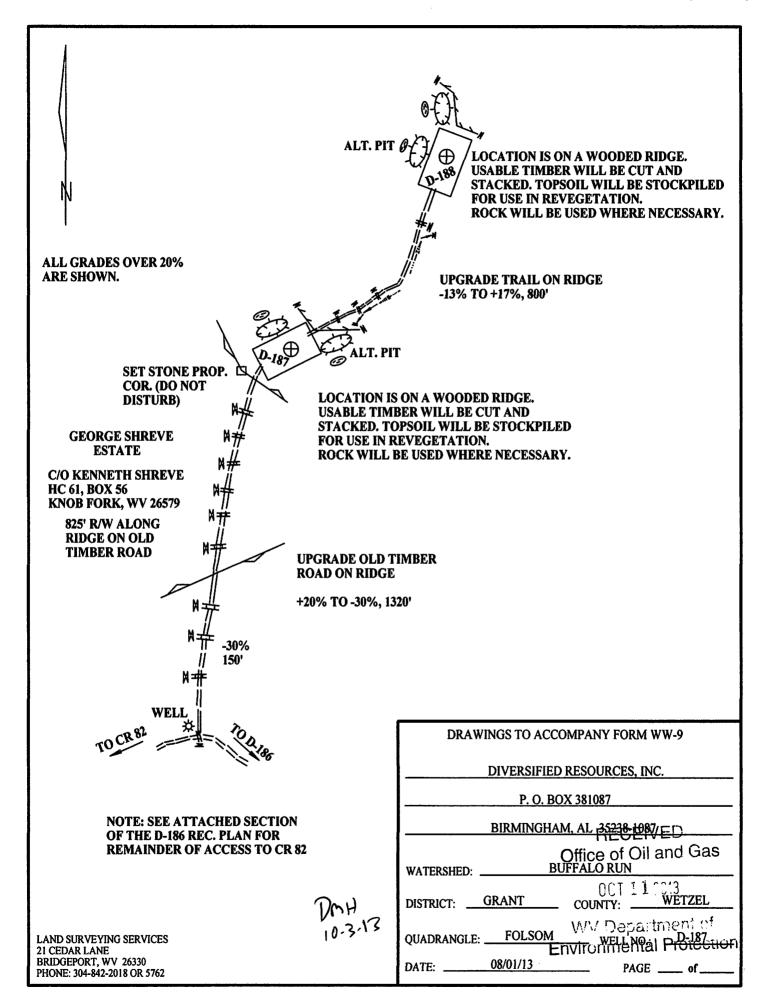
OCT 11 2013

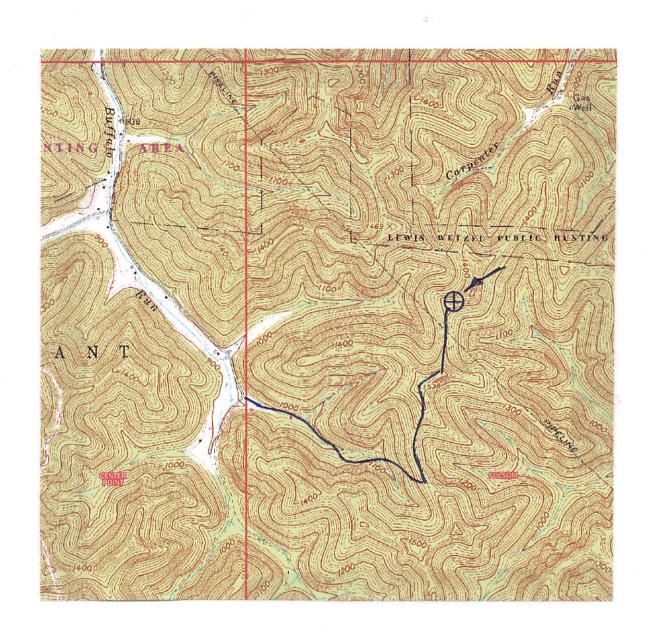
RECEIVED

Office of Oil and Gas

WV Department of Environmental Protection







DMH 10-3-13

DRAWINGS TO ACCOMPANY FORM WW-9

DIVERSIFIED RESOURCES INCAS
Office of Office And Annual Processing Annual Processing

OCT 11 2013 BIRMINGHAM, AL 35238-1087

MAI Department of BUFFALO RUN Totection WATERSHED: __

DISTRICT: GRANT COUNTY: _ WETZEL

QUADRANGLE: FOLSOM WELL NO.: D-187

DATE: ______08/01/13

PAGE ____ of _

LAND SURVEYING SERVICES 21 CEDAR LANE BRIDGEPORT, WV 26330 PHONE: 304-842-2018 OR 5762

